

(f) “Electronic commerce” defined

For the purposes of this section, the term “electronic commerce” means electronic techniques for accomplishing business transactions, including electronic mail or messaging, World Wide Web technology, electronic bulletin boards, purchase cards, electronic funds transfers, and electronic data interchange.

(Pub. L. 93-400, §30, as added Pub. L. 103-355, title IX, §9001(a), Oct. 13, 1994, 108 Stat. 3399; Pub. L. 105-85, div. A, title VIII, §850(a), Nov. 18, 1997, 111 Stat. 1847.)

AMENDMENTS

1997—Pub. L. 105-85 amended section catchline and text generally. Prior to amendment, section consisted of subsecs. (a) to (d) requiring the Administrator to establish a program for development and implementation of a Federal acquisition computer network architecture to be known as FACNET.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105-85 effective 180 days after Nov. 18, 1997, see section 850(g) of Pub. L. 105-85, set out as a note under section 2302c of Title 10, Armed Forces.

EFFECTIVE DATE

For effective date and applicability of section, see section 10001 of Pub. L. 103-355, set out as an Effective Date of 1994 Amendment note under section 251 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 252c of this title; title 10 section 2302c.

§ 426a. Repealed. Pub. L. 105-85, div. A, title VIII, § 850(b), Nov. 18, 1997, 111 Stat. 1848

Section, Pub. L. 93-400, §30A, as added Pub. L. 103-355, title IX, §9001(a), Oct. 13, 1994, 108 Stat. 3400, related to Federal acquisition computer network implementation.

EFFECTIVE DATE OF REPEAL

Repeal effective 180 days after Nov. 18, 1997, see section 850(g) of Pub. L. 105-85, set out as an Effective Date of 1997 Amendment note under section 2302c of Title 10, Armed Forces.

GAO DETERMINATION OF ELIGIBLE AGENCY CONTRACTS

Section 9004 of Pub. L. 103-355 required Comptroller General to submit to Administrator for Federal Procurement Policy and congressional committees, not later than 3 years after Oct. 13, 1994, a report on classes of contracts in amounts greater than micro-purchase threshold and not greater than simplified acquisition threshold that are not suitable for acquisition through a system with full FACNET capability, and authorized Federal Acquisition Regulatory Council, not earlier than 3 years after Oct. 13, 1994, to make determination that such class or classes of contracts were not suitable for acquisition through such a system, prior to repeal by Pub. L. 105-85, div. A, title VIII, §850(c), Nov. 18, 1997, 111 Stat. 1848.

§ 427. Simplified acquisition procedures**(a) Requirement**

In order to promote efficiency and economy in contracting and to avoid unnecessary burdens for agencies and contractors, the Federal Acquisition Regulation shall provide for—

- (1) special simplified procedures for purchases of property and services for amounts not greater than the simplified acquisition threshold; and

- (2) special simplified procedures for purchases of property and services for amounts greater than the simplified acquisition threshold but not greater than \$5,000,000 with respect to which the contracting officer reasonably expects, based on the nature of the property or services sought and on market research, that offers will include only commercial items.

(b) Prohibition on dividing purchases

A proposed purchase or contract for an amount above the simplified acquisition threshold may not be divided into several purchases or contracts for lesser amounts in order to use the simplified acquisition procedures required by subsection (a) of this section.

(c) Promotion of competition required

In using simplified acquisition procedures, the head of an executive agency shall promote competition to the maximum extent practicable.

(d) Consideration of offers timely received

The simplified acquisition procedures contained in the Federal Acquisition Regulation shall include a requirement that a contracting officer consider each responsive offer timely received from an eligible offeror.

(e) Interim reporting rule

Until October 1, 1999, procuring activities shall continue to report under section 417(d) of this title procurement awards with a dollar value of at least \$25,000, but less than \$100,000, in conformity with the procedures for the reporting of a contract award greater than \$25,000 that were in effect on October 1, 1992.

(f) Special rules for commercial items

The Federal Acquisition Regulation shall provide that, in the case of a purchase of commercial items using special simplified procedures, an executive agency—

- (1) shall publish a notice in accordance with section 416 of this title and, as provided in subsection (b)(4) of such section, permit all responsible sources to submit a bid, proposal, or quotation (as appropriate) which shall be considered by the agency;
- (2) may not conduct the purchase on a sole source basis unless the need to do so is justified in writing and approved in accordance with section 2304 of title 10 or section 253 of this title, as applicable; and
- (3) shall include in the contract file a written description of the procedures used in awarding the contract and the number of offers received.

(Pub. L. 93-400, §31, as added Pub. L. 103-355, title IV, §4201(a), Oct. 13, 1994, 108 Stat. 3342; amended Pub. L. 104-106, div. D, title XLII, §4202(c), title XLIII, §4302(b), Feb. 10, 1996, 110 Stat. 653, 658; Pub. L. 104-201, div. A, title X, §1074(b)(6), Sept. 23, 1996, 110 Stat. 2660; Pub. L. 105-85, div. A, title VIII, §850(d), Nov. 18, 1997, 111 Stat. 1848.)

AMENDMENTS

1997—Subsecs. (e) to (g). Pub. L. 105-85 redesignated subsecs. (f) and (g) as (e) and (f), respectively, and struck out heading and text of subsec. (e). Text read as follows: “The simplified acquisition procedures provided in the Federal Acquisition Regulation pursuant

to section 2304(g)(1)(A) of title 10, section 253(g)(1)(A) of this title, and subsection (a)(1) of this section may not be used by an agency after December 31, 1999, for contracts in amounts greater than \$50,000 and not greater than the simplified acquisition threshold until a certification has been made pursuant to section 426a(a)(2) of this title that the agency has implemented a full FACNET capability.”

1996—Subsec. (a). Pub. L. 104-106, § 4202(c)(1), as amended by Pub. L. 104-201, substituted “shall provide for—” and pars. (1) and (2) for “shall provide for special simplified procedures for contracts for acquisition of property and services that are not greater than the simplified acquisition threshold.”

Subsec. (e). Pub. L. 104-106, § 4302(b)(2), substituted “pursuant to section 2304(g)(1)(A) of title 10, section 253(g)(1)(A) of this title, and subsection (a)(1) of this section” for “pursuant to this section”.

Pub. L. 104-106, § 4302(b)(1), designated subsec. (e)(2)(B) as entire subsec. and struck out former pars. (1) and (2)(A) which read as follows:

“(1) EFFECT OF INTERIM FACNET CAPABILITY.—The simplified acquisition procedures provided in the Federal Acquisition Regulation pursuant to this section may not be used by a procuring activity of an agency for contracts in amounts greater than \$50,000 and not greater than the simplified acquisition threshold until a certification has been made pursuant to section 426a(a)(1) of this title that the procuring activity has implemented an interim FACNET capability.

“(2) EFFECT OF FULL FACNET CAPABILITY.—(A)(i) In the case of a procuring activity described in clause (ii), the simplified acquisition procedures provided in the Federal Acquisition Regulation pursuant to this section may be used by the activity for contracts in amounts greater than \$50,000 and not greater than the simplified acquisition threshold.

“(ii) Clause (i) applies to any procuring activity—

“(I) that has not certified, pursuant to section 426a(a)(1) of this title, that it has implemented interim FACNET capability; and

“(II) that is in an agency that has excluded the procuring activity from the agency’s full FACNET certification under section 426a(a)(2) of this title on the basis that implementation of full FACNET capability would not be cost effective or practicable in that activity.”

Subsec. (g). Pub. L. 104-106, § 4202(c)(2), added subsec. (g).

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105-85 effective 180 days after Nov. 18, 1997, see section 850(g) of Pub. L. 105-85, set out as a note under section 2302c of Title 10, Armed Forces.

EFFECTIVE DATE OF 1996 AMENDMENTS

Section 1074(b)(6) of Pub. L. 104-201 provided that the amendment made by that section is effective Feb. 10, 1996.

For effective date and applicability of amendment by Pub. L. 104-106, see section 4401 of Pub. L. 104-106, set out as a note under section 251 of this title.

EFFECTIVE DATE

For effective date and applicability of section, see section 10001 of Pub. L. 103-355, set out as an Effective Date of 1994 Amendment note under section 251 of this title.

TERMINATION OF AUTHORITY TO ISSUE SOLICITATIONS FOR PURCHASES OF COMMERCIAL ITEMS IN EXCESS OF SIMPLIFIED ACQUISITION THRESHOLD

Authority to issue solicitations for purchases of commercial items in excess of simplified acquisition threshold pursuant to special simplified procedures authorized by subsec. (a) of this section to expire three years after date certain amendments by section 4202 of Pub. L. 104-106 take effect pursuant to section 4401(b) of Pub. L. 104-106, set out as a note under section 251 of

this title, see section 4202(e) of Pub. L. 104-106, set out as a note under section 2304 of Title 10, Armed Forces.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 252b, 253 of this title; title 10 sections 2302b, 2304.

§ 428. Procedures applicable to purchases below micro-purchase threshold

(a) Requirements

(1) The head of each executive agency shall ensure that procuring activities of that agency, in awarding a contract with a price exceeding the micro-purchase threshold, comply with the requirements of section 637(a) of title 15, section 2323 of title 10, and section 7102 of the Federal Acquisition Streamlining Act of 1994.

(2) The authority under part 13.106(a)(1) of the Federal Acquisition Regulation (48 C.F.R. 13.106(a)(1)), as in effect on November 18, 1993, to make purchases without securing competitive quotations does not apply to any purchases with a price exceeding the micro-purchase threshold.

(b) Exclusion for micro-purchases

A purchase by an executive agency with an anticipated value of the micro-purchase threshold or less is not subject to section 644(j) of title 15 and the Buy American Act (41 U.S.C. 10a-10c).

(c) Purchases without competitive quotations

A purchase not greater than \$2,500 may be made without obtaining competitive quotations if an employee of an executive agency or a member of the Armed Forces of the United States authorized to do so determines that the price for the purchase is reasonable.

(d) Equitable distribution

Purchases not greater than \$2,500 shall be distributed equitably among qualified suppliers.

(e) Implementation through FAR

This section shall be implemented through the Federal Acquisition Regulation.

(f) Micro-purchase threshold defined

For purposes of this section, the micro-purchase threshold is the amount of \$2,500.

(Pub. L. 93-400, § 32, as added Pub. L. 103-355, title IV, § 4301(a), Oct. 13, 1994, 108 Stat. 3346; amended Pub. L. 104-106, div. D, title XLIII, §§ 4304(b)(4), (c)(3), 4311, Feb. 10, 1996, 110 Stat. 664, 671.)

REFERENCES IN TEXT

Section 7102 of the Federal Acquisition Streamlining Act of 1994, referred to in subsec. (a)(1), is section 7102 of Pub. L. 103-355, which is set out as a note under section 644 of Title 15, Commerce and Trade.

The Buy American Act, referred to in subsec. (b), is title III of act Mar. 3, 1933, ch. 212, 47 Stat. 1520, as amended, which is classified generally to sections 10a, 10b, and 10c of this title. For complete classification of this Act to the Code, see Short Title note set out under section 10a of this title and Tables.

AMENDMENTS

1996—Subsec. (c). Pub. L. 104-106, § 4311, substituted “an employee of an executive agency or a member of the Armed Forces of the United States authorized to do so” for “the contracting officer”.

Pub. L. 104-106, § 4304(b)(4), (c)(3), redesignated subsec. (d) as (c) and struck out heading and text of former